



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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THE CONTROLLER

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MEMORANDUM FOR CHIEF FINANCIAL OFFICERS

FROM: Danny Werfel
Acting Controller

SUBJECT: Year-end Accounting Guidance for Disaster Relief Fund Transactions

This memorandum provides guidance for those agencies incurring costs under Mission Assignments (MA) issued by the Federal Emergency Management Agency (FEMA), Department of Homeland Security, to support disaster relief.

The Financial Management Support Annex of the National Response Plan provides basic financial management guidance for all departments and agencies providing assistance in response to major disasters or emergencies declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (Pub. L. No. 93-288, as amended, 42 USC 5121 et seq.). With respect to the emergency declarations, the Disaster Relief Fund (DRF), administered and overseen by FEMA, may be made available by FEMA to reimburse cooperating departments and agencies for funds expended and costs incurred in support of response efforts.

FEMA uses a Mission Assignment (MA) document as an inter/intra-agency agreement to direct agencies to provide goods and/or services pursuant to a declaration under the Stafford Act. Upon accepting an assignment from FEMA pursuant to a MA, the cooperating agency should have blanket reimbursable authority or submit to OMB on the SF-132 an annual estimate of the amount of reimbursable authority required to carry out their responsibilities under a MA. By accepting an assignment, the cooperating agency must use management controls, policies and procedures to ensure that 1) programs achieve their intended results; 2) resources are used consistent with agency missions; 3) programs and resources are protected from waste, fraud and mismanagement; 4) laws and regulations are followed; and 5) reliable and timely information is obtained, maintained, reported, and used for decision making.

If you have any questions concerning this guidance please contact Carrie Hug at (202) 395-3993.

Attachment

Reimbursable Transactions

Cooperating agencies must maintain proper supporting documentation for all obligations, outlays, and costs incurred to carry out the terms of the assignment. Supporting documentation must be maintained in a manner necessary to accommodate independent audit and review. Reimbursements are processed against the FEMA Disaster Finance Center using Treasury Intra-governmental Payment and Collection (IPAC) system. All reimbursements and advances processed via IPAC must be supported by adequate documentation supporting expenditures claimed as reimbursable. The FEMA DRF ALC is 70-07-0002.

Additional detail on the MA process, including reimbursement and billing information, can be found at www.fema.gov/government/business.shtm.

All existing accounting, budgetary rules, and scenarios for inter/intra-agency agreements/reimbursable agreements (i.e., receivables/payables and undelivered/unfilled orders) apply. Agencies should refer to:

- OMB Circular A-11 *Preparation, Submission and Execution of the Budget* revised, Section 130 *Report on Budgetary Execution and Budgetary Resources* at http://www.whitehouse.gov/omb/circulars/a11/current_year/s130.pdf,
- USSGL general accounting transactions and scenarios at <http://www.fms.treas.gov/ussgl/>, and
- USSGL specific accounting scenarios for reimbursable activity at http://www.fms.treas.gov/ussgl/approved_scenarios/index.html#reimbursable.

Year-end Accruals and Coordination with FEMA

Cooperating agencies should make every effort to process reimbursements through IPAC by no later than September 29th for costs incurred during the fiscal year. Cooperating agencies must provide FEMA with a year-end estimate of the agency's unbilled receivable for costs to be billed against its FEMA MA assignment(s), if any, as of September 30th. Such notification should be provided to the FEMA Disaster Finance Center not later than October 3rd to afford time for adjustment and recording to the FEMA DRF. Cooperating agencies must also provide FMS with year-end non-expenditure documents no later than October 1st for intragovernmental transfers during the fiscal year. For additional guidance refer to <http://www.fms.treas.gov/tfm/vol1/07-08.pdf>.

All notifications and communications involving MAs should be directed to the FEMA Disaster Finance Center, attention: Tracey Oyler on (540) 542-7406,

tracey.oyler@dhs.gov.

Response activities in the aftermath of a disaster require strong financial involvement to facilitate communications across each Federal agency. The CFO of all agencies should provide a prime contact for financial management matters as well as an additional contact for MA matters to Peggy Sherry from the Department of Homeland Security by September 29th. Her email and phone number are: Peggy.Sherry@DHS.GOV and (202) 205-5833.

Advances

Advances are generally not authorized by FEMA but may be necessary if cooperating agencies do not have sufficient cash reserves to sustain MA disbursements prior to September 30th. Agencies should follow Circular A-11 Section 20.11 ("What do I need to know about advances?") located at http://www.whitehouse.gov/omb/circulars/a11/current_year/s20.pdf, and the Stafford Act for guidance on advances.

FEMA will work closely with agencies to provide advances where necessary. Where an advance is authorized by FEMA, the cooperating agency needs to provide FEMA with an accounting of the amount of the balance of the advance as of September 30th. Such notification needs to be provided to the FEMA Disaster Finance Center not later than October 3rd to afford time for adjustment and recording to the DRF.

Travel

Travel costs, that will be reimbursed by FEMA under an MA related to disaster relief, should be obligated against the order from FEMA to do the work and not against a continuing resolution that may provide interim funding or another appropriation. Agencies should refer to Circular No. A-11 Section 83.5 ("How can I determine whether an obligation should be classified as direct or reimbursable?") located at http://www.whitehouse.gov/omb/circulars/a11/current_year/s83.pdf, for further guidance.